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FORM 1  
**Quality Assurance Checklist**

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This checklist helps ensure that we produce high quality products that comply with generally accepted government auditing standards (GAGAS). It incorporates pertinent sections of ALGA's Peer Review Guide (2008), which was based on the July 2007 revision to the *Government Auditing Standards* issued by the Comptroller General of the United States. Auditors should use this checklist as a guide to ensure that the standards and internal procedures are followed.

Lead auditors are required to complete this checklist for all audits and attestation engagements that will result in a report that cites compliance with GAGAS. The checklist should not be used for non-audit services such as follow-up reviews or investigations, since GAGAS does not apply to such assignments, or for audit work done in support of external auditors when we do not issue the report.

There are two parts of the checklist. Part I is the Audit Checklist and Part II is the Report Checklist. For each GAGAS requirement, a reference is provided to the chapter in the Audit Manual and related Operating Procedure Memos (OPMs) that implement the specific requirement. For each question where the column is not shaded, the lead auditor shall answer "Yes" in the middle column if the procedure was followed and reference the applicable work paper. If the answer is "No" or "Not Applicable", the lead auditor shall use the column to the far right to explain why such standard or procedure was not done or why a particular standard or procedure did not apply.

The Quality Assurance Checklist requires signatures by the lead auditor, Audit Manager, and Audit Director. This checklist must be completed and signed prior to submitting the draft report to the auditee and before the proposed final report is submitted to the Interagency Internal Audit Authority (IIAA) for approval. The signatures certify that the audit or attestation engagement was conducted in accordance with the July 2007 revision to GAGAS and the Internal Audit Division's Audit Manual, and that the proposed draft and final reports are accurate. The Administrative Coordinator's signature is also required for the editorial review of proposed draft and final reports and for posting the final report to our website, unless the report is "Confidential."



Frederick County  
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## PROPOSED DRAFT REPORT

I certify that the audit/attestation engagement was conducted in accordance with the July 2007 revision to GAGAS and the Internal Audit Division's Audit Manual and that the proposed draft report is accurate.

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Lead Auditor's Signature

Date

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Audit Manager's Signature

Date

---

Administrative Coordinator's Signature  
(Review for Grammar, Tone, and Format)

Date

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Audit Director's Signature

Date

Date Draft Report Issued \_\_\_\_\_



**Frederick County  
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**PROPOSED FINAL REPORT**

I certify that the final report is accurate.

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Lead Auditor's Signature

Date

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Audit Manager's Signature

Date

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Administrative Coordinator's Signature  
(Review for Grammar, Tone, and Format)

Date

---

Audit Director's Signature

Date

---

Date Proposed Final Report Submitted to IIAA

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Date Final Report Was Issued

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Administrative Coordinator's Signature and Date  
When Final Report is Posted to Website

(Note if report was "Confidential" and not posted on website, or distribution of report was limited)



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Project No. \_\_\_\_\_  
 Audit/Attestation Title \_\_\_\_\_  
 Type (Performance, Financial, Attestation Engagement) \_\_\_\_\_  
 Names of Audit Staff \_\_\_\_\_

### Part I Audit Checklist

	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
<b>GENERAL STANDARDS</b>			
<b>1. INDEPENDENCE (GAS 3.02-3.30)</b>  Audit organizations must be free from personal, external, and organizational impairments to independence, and must avoid the appearance of such impairments of independence. (GAS 3.02)  -Audit organizations should establish policies and procedures to identify, report, and promptly resolve personal impairments to independence; communicate such procedures to the staff; monitor compliance; and maintain documentation of steps taken to identify personal independence impairments. (GAS 3.08-3.09)  -Audit organizations must be free from external impairments to independence and have policies and procedures for resolving and reporting external impairments. (GAS 3.10-3.11)	IID, OPM 09-06		
<b>2. Were Certificates of Independence completed and included in the working papers prior to the start of the assignment, for all staff who worked on the assignment, including interns, the Audit Manager, and the Audit Director?</b>  -If there were personal or external issues regarding auditor independence, was this documented and resolved in consultation with the Audit Manager and Audit Director?  -If auditors used the work of a specialist (i.e. attorneys, engineers, consultants), did the auditor have the specialist sign the Certificate of Independence-Specialist form and include it in the working papers prior to the specialist beginning work on the audit? (GAS 3.05)	OPM 09-06		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
3. Prior to the start of the audit, did the Lead Auditor check the Non-audit Services Log to ensure that non-audit services of the subject matter had not been provided, or if they were, that supplemental safeguards, such as excluding specific staff from the assignment, were implemented?	IID, OPM 09-06		
4. PROFESSIONAL JUDGMENT (GAS 3.31- 3.38)  Auditors must use professional judgment in planning and performing audits and attestation engagements and in reporting the results.	IIE		
5. Were significant decisions affecting the audit's objectives, scope and methodology, findings, conclusions, and recommendations resulting from professional judgment documented? (GAS 3.38)  (Reference any meetings with the Audit Manager or Audit Director that document such decisions)	IIE		
6. COMPETENCE (GAS 3.40-3.49)  The audit organization's management should assess skill needs to consider whether its workforce has the essential skills that match those necessary to fulfill a particular audit mandate or scope of audits to be performed. Accordingly, audit organizations should have a process for recruitment, hiring, continuous development, assignment, and evaluation of staff to maintain a competent workforce. (GAS 3.41)	IIF OPM 08-09		
7. Did the staff assigned to perform the audit or attestation engagement, including supervisors, collectively possess adequate professional competence for the tasks required? (GAS 3.40, 3.43, 7.12.d, 7.44-7.45)  -Did all staff meet applicable CPE requirements? (To be completed by Audit Manager)	IIF, IIIC, IIID		
8. Were specialists engaged when necessary? (GAS 7.44d) If so, did the auditors assess the professional qualifications of such specialists and document their findings and conclusions? (GAS 3.49)  -Did auditors document the nature and scope of work to be performed by the specialist? (GAS 7.45a-d)	IIF		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
<b>PLANNING POLICIES AND PROCEDURES APPLICABLE TO ALL AUDITS AND ATTESTATION ENGAGEMENTS.</b>			
9. PLANNING (GAS 4.01-4.13,6.01-6.14,7.01-7.51) Work is to be adequately planned and supervised	IIID, IIIE		
10. -Were all steps in Section A (Planning) of the Standard Audit Program completed, initialed, and cross-referenced to the working papers?  -Was an Audit Planning Results Memorandum prepared and did it provide a conclusion on internal controls, identify any modifications to the audit scope and objectives, and describe the planned audit methodology based on the results of the risk assessment?  -Did the Audit Planning Results Memorandum include any issues related to the lack of sufficient, appropriate evidence needed to address the audit objectives? (GAS 4.03c., 6.41, 7.07)  -Did the Audit Planning Results Memorandum identify any actions needed to limit audit risk? (GAS 4.01b,7.05)  -If further work was not necessary after the planning phase, was a No GO Decision Memorandum submitted and approved by the Audit Manager and Audit Director? Was the auditee notified of this decision?	IIID, IIIE, IIIF, IIIG OPM 08-2 OPM09-03  IIID  IIID  IIID		
11. If the planning phase of the audit exceeded 6 weeks, did the lead auditor obtain the Audit Manager's approval? Is the approval documented in the working papers?	OPM 09-03		
12. Was the Detail Testing Program approved by the Audit Manager and Audit Director?  -Did the Detail Testing Program address the announced audit objectives?  -If the audit objectives and scope changed from those in the Audit Announcement Memo, was the auditee notified of the change in writing before the start of testing?  -Was the entrance conference documented in the workpapers?	IIID		



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<b><i>For Financial Audits and Attestation Engagements, skip to step 26.</i></b>	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
<b>13. FIELD WORK STANDARDS FOR PERFORMANCE AUDITS (GAS 7.01-7.84)</b>  The fieldwork standards relate to planning the audit; supervising staff, obtaining sufficient, appropriate evidence; and preparing audit documentation.	IIIE		
14. Did the auditors communicate an overview of the objectives, scope, and methodology and timing of the audit and planned reporting to management, those charged with governance, and requestors and document such communication? (GAS 7.12.e, 7.46-7.49)  (Reference Audit Announcement Memorandum, Entrance Conference, and any other documentation of such communication).	IIID		
15. Did the Audit Risk Assessment list each risk, a brief statement on control or the absence of control, a workpaper reference and whether the risk is high, medium, or low?	IIID, OPM 09-03		
16. Did the Audit Risk Assessment reference the specific test in the Detail Testing Program, if you tested the identified risk?	OPM 09-03		
17. Did the auditors assess audit risk and significance by gaining an understanding of:  a-The nature and profile of the program and needs of potential users of the report (GAS 7.11.a., 7.13)  b. The design and implementation of internal control as it relates to the specific objectives and scope of the audit (GAS 7.11.b, 7.16-7.22)  c. The design and implementation of information system controls (GAS 7.11.c., 7.23-7.27)  d. Legal and regulatory requirements, contract provisions, and/or grant agreements (GAS 7.11.d, 7.28)	IIID, IIIE		
17. (Continued) Did the auditors assess audit risk and significance by gaining an understanding of:  e. Potential for fraud and abuse (GAS 7.11.d., 7.30)  f. Results of previous audits (GAS 7.11.e., 7.36)			





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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
18. Did the auditors, to the extent related to the audit objectives, identify potential criteria and sources of evidence, and evaluate whether to use the work of other auditors or experts? (GAS 7.12 a-c, 7.37, 7.39, 7.41)	IIID		
19. Did auditors obtain sufficient, appropriate evidence to define and address the audit objectives, plan audit work and provide a reasonable basis for their findings and conclusions? (GAS 7.06 – 7.10, 7.39, 7.55, 7.56)  Did auditors document their evaluation of whether the evidence taken as a whole is sufficient and appropriate for addressing the audit objectives and supporting findings and conclusions? For example, did auditors test the reliability of supporting evidence using statistical sampling, or obtaining corroborating evidence? (GAS 7.55 – 7.57, 7.68)  (Reference Audit Planning Results Memorandum and Detail Testing Program)	IIID, IIIE, IIIF		
20. If auditors believed that sufficient, appropriate evidence would not be available, did they:  a. revise the audit objectives or modify the scope and methodology and determine alternative procedures to obtain additional evidence or other forms of evidence to address the current audit objectives, and  b. evaluate whether the lack of sufficient, appropriate evidence is due to internal control deficiencies or other program weaknesses, and whether the lack of sufficient, appropriate evidence could be the basis for audit findings? (GAS 7.40)	IIIE		
21. If there were indications that fraud or abuse may have occurred that is significant to the audit objectives, did the auditors extend audit steps and procedures as necessary to determine (1) whether the fraud or abuse has occurred and (2) if so, its effect on the audit findings? (GAS 7.32, 7.34)	IIIE		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
22. If an audit was terminated before completion and an audit report was not issued, did auditors document the results of work done and explain why the audit was terminated? Were the reasons for termination communicated to appropriate officials and was the communication documented in the working papers? (GAS 7.49, 8.06)	IIID, IIIE, IIIG		
23. Did the auditors assess the sufficiency and appropriateness of computer-processed information? (GAS 7.65)  -Was a Data Reliability Checklist completed to ensure that computer-generated data are reliable when used to support audit work?	IIIF  OPM 08-13		
24. If auditors found that evidence that is significant to the audit findings and conclusions had limitations or uncertainties, did they apply additional procedures as appropriate? (i.e. Seek independent corroborating evidence, redefine the audit objectives, limit the scope, or revise the findings and conclusions) (GAS 7.70, 7.71)	IIIE, IIIF		
25. If auditors did not comply with applicable GAGAS requirements for any reason, did they document the departure from the GAGAS requirements and the impact on the audit and on the auditors' conclusions? (GAS 7.81, 1.12, 1.13)	IIA, IIIE		



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<i><b>For Performance Audits, skip to step 43.</b></i>	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
<p><b>26. FIELD WORK STANDARDS FOR FINANCIAL AUDITS AND ATTESTATION ENGAGEMENTS</b> (GAS 4.01-4.03 FINANCIAL AUDITS)</p> <p>(GAS 6.10-6.11 ATTESTATION ENGAGEMENTS)</p> <p>For financial audits (GAS 4.01, 4.02), GAGAS incorporate the AICPA fieldwork standards and related AICPA Statements on Auditing Standards (SAS). For attestation engagements (GAS 6.01, 6.02), GAGAS incorporate the AICPA general standard on criteria and its fieldwork standards, as well as the related AICPA Statements on Standards for Attestation Engagements (SSAE).</p> <p>Under AICPA Standards and GAGAS, auditors must plan and perform the audit to obtain sufficient appropriate audit evidence so that audit risk will be limited to a low level that is appropriate for expressing an opinion on the financial statements.</p>	IIA		
<p>27. For financial audits or attestation engagements, were auditors knowledgeable of the relevant principles and standards (e.g. GAAP, the American Institute of Certified Public Accountants (AICPA) generally accepted auditing standards for fieldwork and reporting, and the related Statements on Auditing Standards (SAS), and GAGAS, and the application of these standards. (GAS 3.44 and 3.45)</p> <p><i>(To be completed by Audit Manager)</i></p>	IIF OPM 08-09		
<p>28. In planning financial audits, did the auditors obtain a sufficient understanding of internal control, to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures? (4.03.b.)</p>	IIID		
<p>29. In planning attestation engagements, did the auditors obtain a sufficient understanding of internal control that is material to the subject matter in order to plan the engagement and design procedures to achieve the objectives of the attestation engagement? (GAS 6.10-6.11)</p>	IIID		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
30. Was sufficient evidence obtained to afford a reasonable basis for the auditor's opinions and conclusions? (GAS 4.03, 6.04)  (Reference cross-indexed objective/conclusion summaries, Draft Audit Condition forms, and Message Meeting write-ups)	IIIE, IIIF		
31. For attestation engagements, did auditors perform the engagement only if the subject matter was capable of evaluation against criteria that were suitable and available to users? (GAS 6.03)	IIIE		
32. Did the auditors communicate in writing to management, those charged with governance, and individuals contracting for or requesting the engagement:  <ul style="list-style-type: none"> <li>• The auditor's understanding of the services to be performed;</li> <li>• The nature, timing, and extent of planned testing;</li> <li>• The level of assurance to be provided; and</li> <li>• Any potential restrictions on the auditor's report.</li> </ul> (GAS 4.06-4.08, 6.06-6.08)	IIIC, IIID, Form 4 Form 7		
33. If a financial audit or attestation engagement was terminated before it was completed, did the auditors document the results of work up to termination and the reasons for termination and communicate the reasons to those charged with governance, appropriate officials of the audited entity, the entity contracting for or requesting the audit, or other appropriate officials? (4.08, 6.08)	IIIE		
34. For financial audits only, in communicating the nature of services and level of assurance provided, did auditors specifically address their planned work and reporting related to testing internal controls over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. (GAS 4.06)	IIIE		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
35. Did the auditors follow-up on findings from prior financial audits and attestation engagements and use the information in assessing risk and determining the nature, timing, and extent of current work? (GAS 4.09, 6.09)	IIIE, IIID		
36. Did the auditors design work to provide reasonable assurance of detecting material financial misstatements, fraud, illegal acts and violations that are significant to the audit objectives? (GAS 4.10, 4.11, 4.26-4.28, 6.13)	IIIE, IIID		
37. For financial audits, if auditors were aware of material abuse, did they apply procedures specifically directed to ascertain the potential effect on the financial statements? (GAS 4.12, 4.13)	IIIE, IIID		
38. For attestation engagements, if auditors were aware of material abuse, did they apply procedures specifically directed to ascertain the potential effect on the subject matter or other data significant to the engagement objectives? (GAS 6.13.c., 6.14))	IIIE		
39. Did the auditors develop the elements of a finding that were relevant and necessary to achieve audit objectives? (GAS 4.14-4.18, 6.15-6.19)	IIIF		
40. (GAS 4.19 – 4.22) For financial audits: Did audit documentation contain sufficient detail to provide a clear understanding of the work performed, evidence obtained and its source, and the conclusions reached to enable an experienced auditor who has had no previous connection with the audit to understand:  (a) The nature, timing, and extent of auditing procedures performed;  (b) Results of procedures performed and evidence obtained;  (c) Conclusions reached on significant matters;	IIIE, IIIF  IIIF  IIIF  IIIF		

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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
42. (Continued) (GAS 6.20-6.23)For attestation engagements: Did auditors prepare attest documentation in sufficient detail to enable an experienced auditor to understand the nature, timing, extent, and results of procedures performed, the evidence obtained, the sources of evidence, and the conclusions reached. In addition to other documentation requirements explicitly addressed in GAS and AICPA standards, auditors should document the following:  d) the auditor's consideration that planned procedures are designed to achieve objectives when evidential matter obtained is highly dependent on computerized information systems and is material to the objective, and the auditors are not relying on the effectiveness of internal control over those computerized systems that produced the information.	IIIF		



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	Policy and Procedure Reference	Yes (W/P Reference)	No or N/A (Explanation)
<b>TESTING POLICIES AND PROCEDURES APPLICABLE TO ALL AUDITS AND ATTESTATION ENGAGEMENTS</b>			
43. Was approval obtained from the Audit Manager before the budget was exceeded by 10 percent? Are the approvals documented in the working papers?	OPM 08-06		
44. Were indications of irregularities or illegal acts promptly brought to the attention of the Audit Manager, Audit Director, and IIAA?	IIIF		
45. If auditors pursued indications of fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse, did the auditors take appropriate action to avoid interfering with investigations or legal proceedings? (GAS 4.29,5.17,6.29,7.35)	IIIE		
46. Were any substantive changes to the Detail Testing Program approved by the Audit Manager and Audit Director?	IIID		
47. Did auditors prepare and maintain audit documentation related to planning, conducting, and reporting and documentation to support findings, conclusions, and recommendations before issuing the report? (GAS 4.19-4.22, 6.20-6.23, 7.77)	IIIE, IIIF		
-Did working papers, or series of working papers, identify Purpose, Source, Scope, Methodology, and Conclusion?	IIIF		
-Were all working papers completed and submitted to the Audit Manager for review prior to issuance of the discussion draft?	OPM 08-02		
-Did auditors cross-index facts, figures, statements to related working papers, to summaries, and the report?	IIIF		
-Were Draft Audit Condition Forms used to identify potential findings?	IIIF		
-Did the findings on the Draft Condition Forms identify condition, criteria, cause, effect, and recommendation?	IIIF		
-If the findings on the Draft Condition Forms were not used in the report, did the form explain why?	IIIF		





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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
<p>48. Was audit staff properly supervised? (GAS 7.52-7.80.c.)</p> <p>-Do all working papers, or a series of working papers, have evidence of supervisory review before the discussion draft was issued?</p> <p><i>(Both Questions to be Completed by Audit Manager)</i></p>	IIG, IIIF, OPM 08-02		
49. If additional working papers were prepared after the discussion draft or formal draft was issued, were they submitted to the Audit Manager, and reviewed before issuance of the final report?	IIIF		
<p>50. Were all supervisory review notes satisfactorily addressed by the auditors before issuance of the final report?</p> <p><i>(To be completed by the Audit Manager)</i></p>	IIIF		
51. Were all steps in the Detail Testing Program completed, initialed, and cross referenced to the working papers by the auditor, and was the program reviewed and initialed by the Audit Manager?	IIIF		
52. Were all steps in the Standard Audit Program completed, initialed, and cross referenced to the working papers by the auditor, and was the program reviewed and initialed by the Audit Manager?	IIIF		
53. Were Message Meetings held with the Audit Manager and with the Audit Director at the completion of audit testing and are these meetings documented in the working papers?	OPM 09-02		
<p>54. Was an exit conference held with the auditee? Was it documented? Were changes made to the proposed draft made, if appropriate, based on the exit conference?</p> <p>Note: An exit conference may not be necessary if there are no findings.</p>	IIIF		
55. Were all items in the Workpaper Index completed, or explained if not applicable?	Form 3		



## Part II Report Checklist

	Policy and Procedure Reference	Yes (W/P Reference)	No or N/A (Explanation)
<b>1. REPORTING STANDARDS FOR PERFORMANCE AUDITS (GAS 8.01-8.43)</b>  These standards relate to the form of the report, the report contents, and report issuance and distribution.	IIIG		
2. Did auditors issue an audit report to appropriate officials? (GAS 8.03-8.06)	III I		
3. Does the report clearly describe in an unbiased manner, the objectives, scope, and methodology, as well as other report requirements? (GAS 8.08-8.13)	IIIH		
4. Does the audit report present sufficient, appropriate evidence to support the findings and conclusions in relation to audit objectives? (GAS 8.07-8.08, 8.14-8.18)	IIIG, IIIH		
5. Does the audit report include a conclusion to answer each objective in the announcement memo or the revised announcement memo, based on the audit findings? (GAS 8.27)	IIIG, IIIH		
6. Does the Scope section of the audit report include work on internal controls? (GAS 8.19)	IIIG, IIIH		
7. Did the audit report include deficiencies in internal control that are significant to the audit objectives and based upon the audit work performed? (GAS 8.19)  -If the auditors' detected internal control deficiencies that were not significant to the audit objectives, did they include them in the report or communicate them in writing to the appropriate officials unless the deficiencies were inconsequential? (GAS 8.19)	IIIG, IIIH		
8. Did the auditors refer to the written communication in the audit report, if the written communication is separate from the audit report? (GAS 8.19)	IIIG, IIIH		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
9. When auditors concluded that fraud, illegal acts, significant violations of contracts or grant agreements, or significant abuse occurred; did they report the matter as a finding? (GAS 8.21-8.23)	IIIG, IIHH		
10. Did the auditors report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or significant abuse to parties outside the audited entity when appropriate? (GAS 8.24-8.26)	IIIG		
11. Does the report recommend actions to correct problems identified and improve programs, operations, and performance? (GAS 8.28)	IIIG, IIHH		
12. Do the recommendations flow logically from the findings and conclusions, resolve the cause of identified problems, and clearly state the actions recommended? (GAS 8.28)	IIIG, IIHH		
13. Does the report include cost savings, if applicable?	IIHH		
14. Does the report cite compliance with GAGAS when all applicable requirements were followed, or disclose when they were not followed? (GAS 8.08, 8.30-8.31)	IIA, IIHH		
15. Were the proposed draft and final reports cross-indexed and independently referenced before issuance?  -Were changes made to the proposed final report, other than minor word changes, cross-indexed and independently referenced?  -Did the Report Reference Sheet show that corrective action was taken on all comments  -If the referencer's comments required changes to the report, did the Audit Manager sign the Report Reference Sheet indicating approval?  -Was each version of the cross-indexed and referenced reports dated, marked on top, and included in the working papers?	OPM 08-05		



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	Policy and Procedure Reference	Yes (W/P Reference)	No or N/A (Explanation)
16. Does the final report include a copy of the written comments to the draft report from responsible officials or a summary of written or oral comments? (GAS 8.08, 8.32-8.37)  -Did the auditor evaluate the response and indicate which responses were considered adequate and resolved, and provide comments for responses that did not adequately address the recommendations?  -If the auditee disputed facts, did the auditor address the issue and make changes in the final report if the auditee provided sufficient evidence that the auditor was incorrect?	IIIG, IIHH  IIHH		
17. If information is prohibited from public disclosure or excluded from the report due to its confidential nature, did the audit report disclose that certain information was omitted and explain the reasons why? (GAS 8.08, 8.38-8.42)	III I		
18. <b>REPORTING STANDARDS FOR FINANCIAL AUDITS AND ATTESTATION ENGAGEMENTS</b>  GAGAS incorporate the AICPA reporting standards and related statements on auditing standards (SAS) unless specifically excluded or modified by GAGAS and establishes additional reporting standards. (GAS 5.01-5.44)	IIIG		
19. For financial audits, did the auditor state in the report that the financial statements are prepared in accordance with generally accepted accounting principles? (GAS 5.03.a.)	IIIG		
20. For financial audits, did the auditor identify in the report those circumstances in which such principles have not been consistently observed in the current period in relation to the preceding period? (5.03.b.)	IIIG		
21. For financial audits, if the auditor determined that informative disclosures were not reasonably adequate, did the auditor state that in the report? (GAS 5.03.c.)	IIIG		
22. For financial audits, did the auditor express an opinion regarding the financial statements, taken as a whole, or state that an opinion cannot be expressed? If an opinion cannot be expressed, did the report state why? (GAS 5.03.d.)	IIIG		



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	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
23. For financial audits, did the auditor report on internal control over financial reporting and on compliance with laws, regulations, and provisions of contracts and grant agreements? (GAS 5.07-5.09)	IIIG		
-If the auditors issue separate reports/management letters on internal controls, did they include a reference to the separate report or management letter in the report on financial statements? (GAS 5.09)	IIIH		
24. For financial audits or attestation engagements, did the auditors report significant deficiencies in internal control, and identify instances of fraud and illegal acts, unless inconsequential, and violations of contract or grant agreements and abuse? (GAS 5.10, 5.11, 5.13-5.16, 5.18-5.22, 6.33-6.37, 6.39-6.43)	IIIG		
25. For financial audits, if the auditors became aware of new information that could have affected their report on previously issued financial statements, did the auditors advise entity management to determine the potential effect (s) of information and the need to reissue the misstated financial statements? (GAS 5.26-5.31)	IIIG		
26. For attestation engagements, did the auditor follow reporting standards in GAS 6.30 and 6.31 by:  a) identifying the subject matter or assertion being reported on and stating the character of the engagement in the report  b) stating the auditor's conclusion about the subject matter or assertion in relation to criteria against which the subject matter was evaluated in the report  c) stating all of the auditor's significant reservations about the engagement, the subject matter, and, if applicable, the related assertion  d) stating in the report that the report is intended for use by specified parties under certain circumstances (GAS 6.30.d.1-4)  e) reporting auditors' compliance with GAGAS (GAS 6.32)	IIIG		



**Frederick County  
Internal Audit Division**

	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
26. (Continued) For attestation engagements, did the auditor follow reporting standards in GAS 6.30 and 6.31 by:  f) reporting deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreements, and abuse (GAS 6.33-6.43)  g) reporting views of responsible officials, (GAS 6.44-6.50)  h) distributing reports (GAS 6.56)	III I		
27. Did the financial or attestation engagement report cite compliance with GAGAS or disclose when applicable requirements were not followed? (GAS 1.12, 1.13, 5.05-5.06, 6.32)	IIA, IIIG		
28. For financial audits or attestation engagements, if the auditors' report disclosed deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse, did the auditors obtain and report views of responsible officials concerning the findings, conclusions, and recommendations, as well as planned corrective actions? (GAS 5.32-5.38, 6.44-6.50)	IIIG		
29. For financial audits or attestation engagements, if certain pertinent information was prohibited from public disclosure or excluded from the report due to confidential or sensitive nature of the information, did auditors disclose in the report that certain information was omitted and explain the reason why, and evaluate whether this omission could distort the audit results or conceal improper or illegal practices? (GAS 5.39-5.43, 6.51-6.55)	IIIG, III I		
30. For financial audits or attestation engagements, did auditors distribute the audit report to appropriate officials and document any limitations on report distribution? (GAS 5.44, 6.56)	III I		
31. Were the proposed draft and final reports cross-indexed and independently referenced before issuance?  -Were changes made to the proposed final report, other than minor word changes, cross-indexed and independently referenced?  -Did the Report Reference Sheet show that corrective action was taken on all comments?	OPM 08-05		



**Frederick County  
Internal Audit Division**

	<b>Policy and Procedure Reference</b>	<b>Yes (W/P Reference)</b>	<b>No or N/A (Explanation)</b>
31. (Continued) If the referencer's comments required changes to the report, did the Audit Manager sign the Report Reference Sheet indicating approval?  -Was each version of the cross-indexed and referenced reports dated, marked on top, and included in the working papers?			
<b>OTHER</b>			
32. Were the Discussion Draft and Draft Reports marked "Confidential"?			
33. Did the Final Report cover page include the Audit Title, Report Number, and Date Issued?  Was the IIAA signature and date of issuance included at the end of the report?			
34. Did the Final Report exclude the "Confidential" watermarked, unless confidential?			
35. GAGAS require that audit organizations establish policies and procedures for (a) record retention (b) handling requests by outside parties to obtain access to audit documentation (GAS 4.22-4.24, 6.24-6.26)	IVB, IVA		



Frederick County  
Internal Audit Division

FORM 2  
SUGGESTED AREA FOR AUDIT-FY \_\_\_\_

AREA TO BE AUDITED: \_\_\_\_\_

Department: \_\_\_\_\_ Division: \_\_\_\_\_

Operation: \_\_\_\_\_ Manager: \_\_\_\_\_

Check all that may apply

ANTICIPATED PURPOSE OF THE AUDIT: (TO DETERMINE)

- ☐ **Financial:** Are financial reports available that contain accurate, timely, complete and useful information?
- ☐ **Compliance:** Do current systems provide for compliance with policies, procedures laws and regulations? Does the department comply with such requirements?
- ☐ **Safeguarding of Assets:** Do controls exist to safeguard assets and records from unauthorized use or loss?
- ☐ **Economy & Efficiency:** Have policies and procedures been designed to take full advantage of the department's resources and assets? Are these policies and procedures followed consistently?
- ☐ **Program Results:** Have objectives, goals and control procedures for the area's operations been clearly defined? Are these objectives and goals being accomplished?
- ☐ **Fraud/Abuse:** Suspect fraud, waste and/or abuse of assets?





Frederick County  
Internal Audit Division

FORM 2  
SUGGESTED AREA FOR AUDIT-FY \_\_\_\_

Check all that may apply

**CURRENT OPERATIONAL CHANGES THAT IMPACT YOUR REQUEST:**

Budget:	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Overrun
	<input type="checkbox"/>	Decrease		

<input type="checkbox"/>	Need for Mgmt. Information	<input type="checkbox"/>	High Degree of Risk
<input type="checkbox"/>	Adverse Publicity	<input type="checkbox"/>	New Regulation Requirements
<input type="checkbox"/>	New Program/System	<input type="checkbox"/>	Updated Policies/Procedures
<input type="checkbox"/>	Follow-up to Prior Audits	<input type="checkbox"/>	Change in Management
<input type="checkbox"/>	Increase in Transaction Volume	<input type="checkbox"/>	Growth Requires New Procedures

**Please List your Anticipated Objective/Outcome For This Audit:**

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**Additional Information You Feel Will Help Explain Your Audit Request:**

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Frederick County  
Internal Audit Division

FORM 2  
SUGGESTED AREA FOR AUDIT-FY \_\_\_\_

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\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Name and Title**

\_\_\_\_\_  
**Division/Department/Office**

\_\_\_\_\_  
**Date**



## FORM 3

**WORKPAPER INDEX**Frederick County  
Internal Audit Division

		<u>Check if Included</u>
<b>Follow-up (Non-Recurring Audit)</b>		
Results Memo(s) to Management	100	<input type="checkbox"/>
Status Request Memo	200	<input type="checkbox"/>
Auditee's Status Update	300	<input type="checkbox"/>
Testing & Other Documentation	400	<input type="checkbox"/>
<b>Workpaper Index</b>	Index10	<input type="checkbox"/>
<b>Correspondence &amp; Reports</b>		
Final Report Memo	CR1	<input type="checkbox"/>
Final Report	CR1.1	<input type="checkbox"/>
Formal Auditee Response	CR2	<input type="checkbox"/>
Draft Audit Report Memo/Email	CR3	<input type="checkbox"/>
Draft Audit Report	CR3.1	<input type="checkbox"/>
Discussion Draft Report Memo/Email	CR4	<input type="checkbox"/>
Discussion Draft Report	CR4.1	<input type="checkbox"/>
Notification of Audit/Audit Questionnaire	CR5	<input type="checkbox"/>
Understanding the Audit Process	CR5	<input type="checkbox"/>
Auditee Reply to Questionnaire	CR5	<input type="checkbox"/>
Record of Request	CR6	<input type="checkbox"/>
Request for Additional Time/Hrs Memo	CR7	<input type="checkbox"/>
Miscellaneous Correspondence	CR8	<input type="checkbox"/>
<b>Quality Control</b>		
Certificate of Independence	QC10	<input type="checkbox"/>
Certificate of Independence - Specialist	QC10.1	<input type="checkbox"/>
Quality Assurance Checklist (Form 1)	QC20	<input type="checkbox"/>
<b>Section A: Planning</b>		
Standard Audit Program	A1	<input type="checkbox"/>
Acronym Key (if necessary)	A2	<input type="checkbox"/>
Work Performed by Other Auditors	A3	<input type="checkbox"/>
Entrance Interview	A4	<input type="checkbox"/>
Status of Prior Period		
Recommendations (Recurring Audit)	A5	<input type="checkbox"/>
System & Organization Documentation	A6	
Background	A6.1	<input type="checkbox"/>
Staff Interviews	A6.2	<input type="checkbox"/>
Walkthroughs/Observations	A6.3	<input type="checkbox"/>



## FORM 3

**WORKPAPER INDEX**Frederick County  
Internal Audit Division

		<u>Check if Included</u>
Flowcharts/Narratives	A6.5	<input type="checkbox"/>
Sample Forms	A6.6	<input type="checkbox"/>
Etc. (A6.7/8/9)		<input type="checkbox"/>
Analytical Reviews/Analysis	A7	<input type="checkbox"/>
Audit Risk Assessment	A8	<input type="checkbox"/>
Fraud Discussion Write-Up	A9	<input type="checkbox"/>
Data Reliability Testing	A10	<input type="checkbox"/>
Audit Planning Results/Internal Control		
Write-up/Conclusion	A11	<input type="checkbox"/>
No-Go Document	A12	<input type="checkbox"/>
<b>Section B: Testing/Workpapers</b>		
Detailed Audit Program	B1	<input type="checkbox"/>
Tickmarks (Explanation if necessary)	B2	<input type="checkbox"/>
Notes, Explanations & Exceptions	B3	<input type="checkbox"/>
Workpapers – Objective #1	B4	
Purpose, Source, Scope, Sample		
Selection & Testing		
Methodologies and Conclusion	B4.1	<input type="checkbox"/>
Testing Documentation	B4.2	<input type="checkbox"/>
Etc. (B4.3/4/5)		<input type="checkbox"/>
Workpapers – Objective #2	B5	
Purpose, Source, Scope, Sample		
Selection & Testing		
Methodologies and Conclusion	B5.1	<input type="checkbox"/>
Documentation	B5.2	<input type="checkbox"/>
Etc. (B5.3/4/5)		<input type="checkbox"/>
<b>Section C: Audit Completion</b>		
Draft Audit Conditions	C1	<input type="checkbox"/>
Issues Requiring Further Study	C2	<input type="checkbox"/>
Audit Conclusions on Objectives	C3	<input type="checkbox"/>
Exit Interview	C4	<input type="checkbox"/>
Draft Audit Report (XIndexed Versions)	C5	<input type="checkbox"/>
Audit Abstract, if needed	C6	<input type="checkbox"/>



#### COMMISSIONERS

Jan H. Gardner  
*President*

David P. Gray  
*Vice President*

Kai J. Hagen

Charles A. Jenkins

John L. Thompson, Jr.

#### COUNTY MANAGER

Ronald A. Hart

#### CAE/DIRECTOR

Richard A. Kaplan



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www.charactercounts.org

## INTERAGENCY INTERNAL AUDIT AUTHORITY INTERNAL AUDIT DIVISION FREDERICK COUNTY, MARYLAND

COUNTY GOVERNMENT PUBLIC SCHOOLS COMMUNITY COLLEGE  
8 East Second Street, Suite 100 • Frederick, Maryland 21701  
301-600-1154 • FAX 301-846-2211 • TTY Use Maryland Relay  
<http://www.co.frederick.md.us>

FORM 4

### Memorandum

**To:**

**From:** Richard A. Kaplan, Director of Internal Audit

**Date:**

**Subject:** Title of Audit

We are planning to conduct a (performance or financial) audit or attestation engagement of the \_\_\_\_\_. The Interagency Internal Audit Authority approved this audit (or attestation engagement) as part of the FY\_\_\_ work plan.

The objective of this audit (or attestation engagement) is to determine \_\_\_\_\_. The scope of the audit will include \_\_\_\_\_. The objectives and scope may be revised after the completion of our preliminary survey, interviews and risk assessment. Any changes will be discussed with you.

Enclosed is a questionnaire, which will help us gain an understanding of your operation. Please complete and return to lead auditor's name of my staff by \_\_\_\_\_. We have also enclosed a discussion of the audit process for your information. We plan to begin the audit the week of \_\_\_\_\_ and will contact you shortly to schedule an entrance conference.

If you have any questions, please call me at (301) 600-1675 or Kelly Hammond, Audit Manager, at (301) 600-2912.

Thank you for your time and attention.

Enclosures

pc:

7/09



Frederick County  
Internal Audit Division

# Audit Title

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## FORM 5 EXAMPLE OF AUDIT QUESTIONNAIRE

1. Please provide us with the following information about your department: (Check if attached)
- Organization chart ☐
  - Mission statement ☐
  - Department goals ☐
  - Policies and procedures manual ☐
  - Sample of commonly used documents or standard forms ☐
  - Copies of audit reports prepared by other auditors within the last three years ☐
2. Briefly describe the major operations within your department.
3. How do you assure that the goals of each operation mentioned above are being met?
4. How do you assure that your policies/procedures are being followed?
5. What criteria do you use to measure performance? (For example: prior year activity, industry standards, etc.)
6. What are the risks you see in your department?
7. What procedures do you have in place to control these risks?
8. Are there any laws or regulations with which your department must comply? If so, please specify and describe.
9. What initiatives or actions does your Division/Department plan to implement for changing and/or improving the current operations/activities being audited? Please be specific as to how and when you plan to implement these changes, as well as any other milestones you may have established or achieved.
10. Do you have any cash accounts (i.e., petty cash, cash box) or maintain separate bank accounts?

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Signature

---

Date



This is a short discussion of the audit process including:

- The purpose of an audit
- How your area is selected for review
- The audit process
- The report process
- Audit Follow-Up

## Audit Purpose

The Internal Audit Division's primary mission is to conduct audits and/or special studies to benefit the citizens of Frederick County and the management of Frederick County Government, Frederick County Public Schools, and Frederick Community College. The goal of the audit process is to promote effective program administration and financial management, and to ensure integrity in governance. The primary purpose of an audit is to evaluate operations with a view towards improving future performance.

The audit report, which is a joint effort of both the agency and the auditor, is the end result of the audit process. Recommendations from the report can be used as a basis for adjusting policies, priorities, or procedures in order to make operations as efficient, economical and effective as possible.

All audits are conducted in accordance with government auditing standards; and, as applicable, in compliance with Federal, State and local laws and regulations.

## Selection of Audits

Internal Audit's priorities are documented in the annual performance audit workplan. Selection criteria are determined by a combination of factors including:

- The risk assessment process
- Suggestions from elected officials, interested parties, and agencies
- Prior audit coverage
- Statutory, regulatory, and contractual requirements

## Audit Process

**Audit Notification:** In most cases agencies will be notified prior to the scheduled start date of an audit or review. Exceptions to this procedure may include surprise cash audits or requests from management.

**Entrance Interview:** At the beginning of each audit, the auditor(s) meets with agency management and staff to discuss the audit scope and objectives. Other areas usually covered include estimated time frames for completing the audit; access to required records, information and personnel; and management designation of a contact person for coordination purposes. Internal Audit will also ask for and consider management's suggestions for additional objectives to include in the audit or potential areas that may warrant special review.

**Performing the Audit:** During the audit process, the auditor(s) will obtain background information such as agency mission and goals, internal control structure, and staff responsibilities through interviews with agency staff and reviews of standard operating procedures. Based on this information, the auditor(s) develops detailed examination and verification procedures and performs tests and evaluations to accomplish the agreed upon objectives of the audit.

**Keeping Management Informed:** During the audit, the auditor(s) will keep management informed of findings and/or concerns as they develop through discussions and meetings. These discussions serve two purposes:

- Provide an opportunity for the agency to clarify the auditor's understanding of the facts and circumstances surrounding the finding(s) and to correct misunderstandings and inaccuracies
- Provide management with notice of areas where improvements may be needed so they can take corrective action as soon as possible

If significant issues arise during the audit process, we will notify the appropriate level of management in writing.

**Exit Conference:** The purpose of the exit conference is to communicate audit results to management and to obtain management's comments on proposed findings and recommendations before the draft audit report is issued. The issues presented at the exit conference may have been previously discussed with management. This is management's last opportunity to comment on the findings and recommendations prior to issuance of the draft report and their input is important to ensure that the audit results are fairly presented and that recommendations are reasonable and free of any errors or misrepresentations. After the exit conference, management is asked to respond to the findings and recommendations in writing.

## Audit Reports

**Discussion Draft:** This report is submitted to the agency management prior to the exit conference. It is designed to assure that facts and findings have been clearly stated, and provides an opportunity for management to correct any errors prior to issuance of the draft report.

**Draft Report:** This report is issued to the auditee requesting a written response to any audit findings and recommendations.

**Final Report:** The proposed final report, including management's response to the draft report, is submitted to the Interagency Internal Audit Authority (IIAA) for approval. Management is invited to the meeting when the proposed report is discussed. The report becomes final after the IIAA approves it. Unless restricted by law, once approved, the report becomes public information and will be placed on our website.

## Audit Follow-Up

Six months after the final audit report is issued a memorandum is sent to the agency requesting that they prepare a status report of corrective actions taken and provide any support that provides evidence that recommendations have been implemented. This process is repeated every 6 months. Recommendations not implemented within one year of the report will be brought to the attention of the IIAA. Follow-up audits will be conducted when necessary.





Frederick County  
Internal Audit Division

FORM 7  
**ENTRANCE INTERVIEW WORKSHEET**

**Date:**

**Individuals present:**

**Tentative objectives and scope:**

**Criteria to be used by auditors in measuring performance:**

**Significant compliance requirements:**

**Potential users of audit report and associated needs:**

**Details of the meeting:**



## FORM 8

## Standard Audit Program

Frederick County  
Internal Audit Division

<b>Audit Title:</b>	<b>Period</b>
---------------------	---------------

AUDIT PROCEDURES	W/P Reference	Done by	Reviewed by
<p><b>A. <u>Planning</u></b></p> <ol style="list-style-type: none"><li>1. Mail notification of audit letter. Attach audit questionnaire for completion by department head requesting background information and inquiring about risks, controls, requirements, etc.</li><li>2. Read applicable Yellow Book requirements based upon audit type (i.e., performance, financial, attestation). Initials certify understanding of requirements.</li><li>3. If our office has previously audited this area, review most recent audit report and workpapers. Determine whether other auditors have performed reviews of the area planned for audit and obtain copies of audit reports and workpapers as applicable. If it is the intent to place reliance on the work of other auditors, perform appropriate tests to provide a sufficient basis for that reliance.</li><li>4. After reviewing background information and responses to questionnaire, prepare agenda for and schedule entrance interview with department head for the purpose of clarifying this information as necessary and discussing and obtaining agreement on pertinent aspects of the audit. Document results on "Entrance Interview Worksheet."</li><li>5. Interview other key staff to gain a further understanding of relevant management controls. Perform walk-throughs as appropriate.</li><li>6. If recurring audit, determine status of prior year report recommendations and management's reason for any recommendations not implemented. Test implemented controls as considered necessary.</li><li>7. Document control system using flowcharts and/or narratives. (If recurring audit, update permanent file.) Confirm understanding of operations and controls with appropriate staff, and revise documentation as necessary.</li><li>8. Perform analytical reviews, as appropriate.</li></ol>			



## FORM 8

## Standard Audit Program

Frederick County  
Internal Audit Division

<b>Audit Title:</b>	<b>Period</b>
---------------------	---------------

  

<b>AUDIT PROCEDURES</b>	<b>W/P Reference</b>	<b>Done by</b>	<b>Reviewed by</b>
<p>9. Audit team members must hold meeting with the Audit Manager to discuss among the team fraud risks. Document the meeting. During the planning phase of the audit, gather and assess information to identify risks of fraud that are significant within the scope of the audit objectives or that could affect the findings and conclusions.</p> <p>If factors or risks are identified that have occurred or are likely to occur that are significant within the context of the audit objectives, design procedures to provide reasonable assurance of detecting such fraud. See Step 11 and Part B.</p> <p>10. If computer-processed data is considered significant to audit objectives, include tests to assess its reliability. Submit to Audit Manager for approval.</p> <p>11. Identify major risk factors, taking into consideration the possibility of non-compliance with laws and regulations, fraud, the significance of the risk factors to the audit objectives, potential users of the audit report and the adequacy of management controls. Prepare "Audit Risk Assessment."</p> <p>12. Submit workpapers generated by steps 1 thru 11 above to Audit Manager for review.</p> <p>13. Discuss risk assessment with Audit Manager and determine which controls will be subject to testing. Complete "Audit Testing" column of "Audit Risk Assessment" workpaper for those controls to be tested.</p> <p>14. Finalize audit objectives and scope. Review with Audit Manager. Prepare summary of audit methodology to be used. Document on "Planning Results" workpaper.</p> <p>15. Prepare detailed audit program reflecting each testing objective and associated audit procedures. Submit to Audit Manager for final review prior to detail testing.</p> <p><b>B. <u>Testing</u></b> (see separate audit program)</p>			



## FORM 8

## Standard Audit Program

Frederick County  
Internal Audit Division

<b>Audit Title:</b>	<b>Period</b>
---------------------	---------------

AUDIT PROCEDURES	W/P Reference	Done by	Reviewed by
<p><b>C. <u>Audit Completion</u></b></p> <ol style="list-style-type: none"><li>1. Prepare draft audit findings using standard forms. Include in workpaper file in order of importance. When feasible, state financial effect.</li><li>2. Identify and document any issues requiring further study.</li><li>3. Prepare overall conclusion stating results of audit relative to each audit objective.</li><li>4. Prepare audit report in standard format. Include cross-indexed version in workpapers.</li><li>5. If any information deemed significant is prohibited from inclusion in the report due to federal, state or local laws or regulations, include a statement in report describing the nature of the omitted information and the applicable requirement.</li><li>6. Submit workpapers and report to Audit Manager for review.</li><li>7. Prepare report cover memo and send with report marked "draft" to appropriate auditee management and staff.</li><li>8. Conduct exit interview to discuss draft report. Document date, individuals present and items discussed.</li><li>9. If required, prepare audit abstract and submit to Audit Manager for approval.</li></ol>			



FORM 9

**Audit Planning Results Memorandum**

Frederick County  
Internal Audit Division

**Date:**

**To:** Audit Manager/File

**From:**

**Subject:** Planning Memorandum

**Preliminary Audit Scope and Objectives**

The purpose of this audit is to perform a review of the . Specific objectives are:

- 
- 
- 
- 
- 

The scope of the audit will

**Staffing and Schedule Summary**

The following auditor(s) is assigned to this audit:

**Name – Title**

The audit will have a start date of **July 25, 2008**. The budgeted hours to complete the audit are **225** hours.



## Audit Planning Results Memorandum

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### Key Auditee Contacts

- 
- 
- 

### Current Operating Environment

- 
- 
- 

### Planned Areas of Emphasis

The following risks and emphasis has been identified as follows:

- 
- 
- 

### ACL Use

### Reporting

Per Audit Manual requirements, reports are discussed with management and authorized for release by the IIAA before final distribution.



## Audit Planning Results Memorandum

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### Modifications to Audit Scope, Objectives and Staffing

If scope, objectives or staffing are revised in any way, note here. If not, note no changes.

### Conclusion on Internal Controls

As a result of the completion of planning activities on A2 through A8 workpapers, I conclude that internal controls related to

### Methodology

As a result of the completion of planning activities, the following methodology will be used as the basis for performing audit testing:

Considering the high risk associated with . . . , a sample of . . . will be traced to supporting documentation to assure there is sufficient evidence of . . . There is also a high risk of . . . so a sample of . . . will be selected and . . . tests will be performed to determine . . . etc. We will not perform tests on any of the low risks areas (see w/p A8 for a list of those areas).

### Evidence

(Describe the type of evidence being gathered to address the audit objectives and any issues related to the lack of sufficient, appropriate evidence, and the potential impact on the audit.) (Chapter IIID)

### Audit Risk

(Include any actions to reduce audit risk,<sup>1</sup> such as increasing the scope of work, adding experts, adding additional staff, changing the methodology to obtain additional evidence, or aligning the findings and conclusions to reflect the evidence obtained). (Chapter IIID)

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<sup>1</sup> Audit risk is the risk that auditors will not detect a mistake, inconsistency, significant error or fraud in the evidence supporting the audit. (GAS 7.05)



Frederick County  
Internal Audit Division

FORM 10  
**NO GO DECISION MEMORANDUM**

Audit Title: \_\_\_\_\_  
Project \_\_\_\_\_  
Number: \_\_\_\_\_

☐ **NO GO** After relevant Design Phase activities were completed, the audit/study appears **unnecessary**. Based on initial findings the audit/study should be discontinued for the following reasons:

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Lead Auditor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I concur. This audit, project, or study is no longer required.

Audit Manager/Director

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_





Detail Testing Program

<b>Audit Title:</b>	<b>Audit Period:</b>
---------------------	----------------------

**Audit Objective(s):**

•

AUDIT PROCEDURES	W/P Reference	Done by	Reviewed by
<b><u>Testing Objective 1:</u></b>  1.  2.  3.  4.			
<b><u>Testing Objective 2:</u></b>  1.			
<b><u>Testing Objective 3:</u></b>  1.			
<b><u>Testing Objective 4:</u></b>			

**Audit Program Approved By:**

\_\_\_\_\_  
**Audit Manager**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Audit Director**

\_\_\_\_\_  
**Date**



## FORM 12

### Draft Audit Condition Audit Title

Frederick County  
Internal Audit Division

**Condition:** (What is) Condition is the existing state of affairs and represents a discrepancy between condition and criteria, or “what should be.”

**Criteria:** (What should be) Criteria are standards used to measure performance. Criteria can be in the form of laws or regulations, industry standards, statistics and or historical data.

**Cause:** (Why did it happen?) Cause is the explanation for the deviation between condition and criteria. Identifying cause is important in order to determine what action is needed to correct the problem.

**Effect:** (What is the adverse impact?) Effect represents the impact of the discrepancy between condition and criteria. Effect is frequently stated in quantitative terms such as a loss of dollars or productivity.

**Recommendation:** (What should be done?) The auditors make recommendations to management on actions needed to correct the deficiency. A recommendation is usually the inverse of the cause.

W/P Reference:

This Issue Classified As A:

Report Condition ☐ Condition #

Report Comment ☐ Comment #

Verbal Comment ☐ (give a brief explanation as to why a verbal comment only)



Name of Audit Manager's Review Notes Planning W/P's or Testing W/P's	

Note: The preparer of the notes shall sign and date the form and indicate that all comments have been satisfactorily addressed.